

RESOLUTION NO. 11-18

RESOLUTION OF THE CALIFORNIA INFRASTRUCTURE AND ECONOMIC DEVELOPMENT BANK EXTENDING THE AUDITING SERVICES CONTRACT WITH MACIAS, GINI & O'CONNELL LLP

WHEREAS, the California Infrastructure and Economic Development Bank (the "I-Bank") was established pursuant to the Bergeson-Peace Infrastructure and Economic Development Bank Act (California Government Code Section 63000 and following) (the "Act"); and

WHEREAS, the I-Bank has issued \$152,545,000 par amount of Infrastructure State Revolving Fund ISRF Program Bonds (the "ISRF Program Bonds"); and

WHEREAS, the Continuing Disclosure Agreement for the ISRF Program Bonds requires the I-Bank to provide annual audited financial statements commencing with the fiscal year ended June 30, 2004, to the trustee for the ISRF Program Bonds and to each Nationally Recognized Municipal Securities Information Repository so long as the ISRF Program Bonds are outstanding; and

WHEREAS, the Act authorizes the I-Bank to employ attorneys and financial consultants in connection with the issuance and sale of bonds; and

WHEREAS, the Act provides that Section 10295 and Sections 10335 to 10382, inclusive, of the Public Contract Code ("Public Contract Code Provisions") shall not apply to agreements entered into by the I-Bank in connection with the sale of bonds or notes; and

WHEREAS, on April 29, 2009, through Resolution No. 09-17, the Board of Directors of the I-Bank appointed Macias, Gini & O'Connell LLP ("Macias") as auditor for the I-Bank and approved and entered into a contract with Macias to audit the I-Bank's financial statements for the three fiscal years ending June 30, 2009, 2010 and 2011; and

WHEREAS, on April 24, 2007, through Resolution No. 07-12, the Board of Directors of the I-Bank adopted the I-Bank's Audit Procurement Policy that states the contract with the selected independent auditor shall be for a term not to exceed five years; and

WHEREAS, staff recommends a two-year extension of the current auditing services contract with Macias to audit the I-Bank's financial statement for the years ending June 30, 2012 and 2013; and

WHEREAS, the proposed contract extension is in connection with the sale of bonds and therefore the Public Contract Code Provisions do not apply.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the California Infrastructure and Economic Development Bank, as follows:

Section 1. The above recitals are true and correct.

Section 2. The Executive Director is hereby authorized to approve and enter into a two-year extension of the contract with Macias, Gini & O'Connell LLP to audit the I-Bank's financial statements for the years ending June 30, 2012 and 2013, extending the contract term to June 30, 2014 and, accordingly, increasing the maximum contract authority for this contact to an amount not to exceed \$266,320.

Section 3. This resolution shall take effect from and after its adoption.

PASSED, APPROVED, AND ADOPTED at a meeting of the California Infrastructure and Economic Development Bank on July 26, 2011, by the following vote:

AYES: REYES, LUJANO, JIMENEZ, CABALLERO, RICE

NOES: NONE

ABSENT: NONE

ABSTAIN: NONE

By Stanton C. Hazelroth
Stanton C. Hazelroth, Executive Director

Attest:

By Roma Cristia-Plant
Roma Cristia-Plant,
Secretary of the Board of Directors